

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 00-0483P

Sales Tax

Calendar Years 1998 and 1999

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer is a retail merchant registered with the Indiana Department of Revenue and a seasonal filer for Indiana Sales and Use Taxes. Taxpayer operates only in August and is a retail vendor selling tangible personal property at an annual Arts and Crafts festival. At audit, it was determined that the taxpayer failed to pay tax on taxable sales.

Taxpayer failed to file ST103 returns for 1999. The tax assessment was paid prior to the completion of the audit.

1. **Tax Administration** – Penalty

DISCUSSION

Taxpayer's audit report revealed that it failed to remit sales tax on taxable sales. The investigation revealed that the merchant's sales as reported to the promoter did not coincide with

the amount reported for sales tax purposes. For 1999, the taxpayer failed to file ST103 returns.

Taxpayer states it paid the amount requested in July prior to the audit being completed. In a letter dated July 11, 2000, the department's auditor advised the taxpayer that additional Sales Tax in the amount of \$250.15 and \$251.10 was due for calendar years 1998 and 1999 respectively. The letter also states that penalties and interest would be added if no response was forthcoming within ten days of the letter. The taxpayer did not respond in letter form but sent checks, one dated July 31, 2000 in the amount of \$250.15 and another in the amount of \$251.10 dated August 7, 2000. A penalty waiver is requested.

Taxpayer made no attempt to file ST103 returns in 1999 and failed to remit all of its sales tax in 1998 although it is registered with the State. Taxpayer did not provide reasonable cause to allow a waiver of the penalty.

FINDING

Taxpayer's protest is denied.